

Form 990

## Return of Organization Exempt From Income Tax

OMB No 1545-0047

2008

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2008 calendar year, or tax year beginning

07/01, 2008, and ending

06/30, 2009

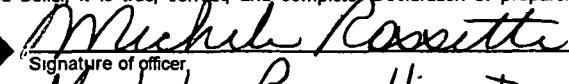
B Check if applicable Address change Name change Initial return Termination Amended return Application pending	C Name of organization <b>WAVE HILL INCORPORATED</b>			D Employer identification number <b>13-6178903</b>	
	Doing Business As			E Telephone number <b>(718) 549-3200</b>	
	Number and street (or P O box if mail is not delivered to street address) <b>675 WEST 252ND STREET</b>			F Gross receipts \$ <b>11,400,253.</b>	
	Room/suite			G Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	City or town, state or country, and ZIP + 4 <b>BRONX, NY 10471</b>			H(b) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	F Name and address of principal officer:			If "No," attach a list (see instructions)	
				H(c) Group exemption number ►	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) ► (insert no)	4947(a)(1) or	527	J Website: ► <b>WAVEHILL.ORG</b>		
K Type of organization <input checked="" type="checkbox"/> Corporation	Trust	Association	Other ►	L Year of formation <b>1965</b>	M State of legal domicile <b>NY</b>

## Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <b>EXPLORE HUMAN CONNECTIONS TO THE NATURAL WORLD THROUGH PROGRAMS IN HORTICULTURE, EDUCATION, AND THE ARTS.</b>		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3 <b>22</b>	
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4 <b>21</b>	
	5 Total number of employees (Part V, line 2a)	5 <b>166</b>	
	6 Total number of volunteers (estimate if necessary)	6 <b>319</b>	
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a <b></b>	
	b Net unrelated business taxable income from Form 990-T, line 34	7b <b></b>	
	8 Contribution and grants (Part VIII, line 1h)	Prior Year <b>4,419,451.</b>	Current Year <b>5,047,710.</b>
	9 Program service revenue (Part VIII, line 2g)	<b>413,121.</b>	<b>443,344.</b>
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>1,880,388.</b>	<b>-907,607.</b>
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>42,267.</b>	<b>741,905.</b>
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>6,755,227.</b>	<b>5,325,352.</b>	
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>RECEIVED FEB 17 2010</b>		
14 Benefits paid to or for members (Part IX, column (A), line 4)	<b>NONE</b>		
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>3,175,869.</b>		
16a Professional fundraising fees (Part IX, column (A), line 11e)	<b>4,040,812.</b>		
b Total fundraising expense (Part IX, column (D), line 25) ►	<b>NONE</b>		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>2,859,377.</b>		
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>6,035,246.</b>		
19 Revenue less expenses. Subtract line 18 from line 12	<b>5,444,115.</b>		
	<b>719,981.</b>		
	<b>-118,763.</b>		
20 Total assets (Part X, line 16)	Beginning of Year <b>25,156,307.</b>		
21 Total liabilities (Part X, line 26)	End of Year <b>20,342,047.</b>		
22 Net assets or fund balances. Subtract line 21 from line 20	<b>432,283.</b>		
	<b>450,939.</b>		
	<b>24,724,024.</b>		
	<b>19,891,108.</b>		

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here	Signature of officer 	Date <b>2/11/10</b>
	Type or print name and title <b>Michele Rossetti Deputy Director</b>	Date

Paid Preparer's Use Only	Preparer's signature 	Date <b>2/11/10</b>	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) <b>080-38-8598</b>
	Firm's name (or yours if self-employed) address, and ZIP + 4 <b>PHILLIPS GOLD AND COMPANY, LLP 1430 BROADWAY, 6TH FL NEW YORK, NY 10018</b>	EIN <b>13-1881038</b>	Phone no <b>212-730-1112</b>	

May the IRS discuss this return with the preparer shown above? (See instructions)  Yes  No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2008)

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8E1010 2.00020  
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**Part III Statement of Program Service Accomplishments (see instructions)**

- 1 Briefly describe the organization's mission:**

**SEE STATEMENT 1**

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- 2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . .**  Yes  No

If "Yes" describe these new services on Schedule O.

- 3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . .**  Yes  No

If "Yes," describe these changes on Schedule O.

- 4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses.**

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a (Code: \_\_\_\_\_ ) (Expenses \$ 878,424. including grants of \$ \_\_\_\_\_ ) (Revenue \$ \_\_\_\_\_ )**

**EDUCATIONAL SERVICE—CONDUCT OF EDUCATION PROGRAM FOR SCHOOL CHILDREN AND THE TRAINING OF TEACHERS IN ENVIRONMENTAL EDUCATION TECHNIQUES. ORGANIZE & OPERATE CLASSES, WORKSHOP LECTURES AND OTHER PUBLIC PROGRAMS RELATED TO ENVIRONMENTAL AFFAIRS. INTERPRETATION OF WAVE HILL'S HISTORY TO THE PUBLIC.**

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**4b (Code: \_\_\_\_\_ ) (Expenses \$ 749,010. including grants of \$ \_\_\_\_\_ ) (Revenue \$ \_\_\_\_\_ )**

**HORTICULTURE—MAINTENANCE OF GROUNDS AND DEVELOPMENT OF PLANT COLLECTON**

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**4c (Code: \_\_\_\_\_ ) (Expenses \$ 732,992. including grants of \$ \_\_\_\_\_ ) (Revenue \$ \_\_\_\_\_ )**

**SECURITY, MAINTENANCE AND UTILITIES — TO PROVIDE SECURITY, MAINTENANCE AND UTILITIES TO BUILDINGS, EQUIPMENT AND GROUNDS IN PRESERVATION OF THE ESTATE AND LANDMARKS.**

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**4d Other program services. (Describe in Schedule O.) SEE STATEMENT 2  
(Expenses \$ 1,522,865. including grants of \$ \_\_\_\_\_ ) (Revenue \$ \_\_\_\_\_ )**

**4e Total program service expenses ► \$ 3,883,291. (Must equal Part IX, Line 25, column (B).)**

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3 X	
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4 X	
5 Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6 X	
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7 X	
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8 X	
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9 X	
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10 X	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	11 X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12 X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13 X	
14a Did the organization maintain an office, employees, or agents outside of the U.S.?	14a X	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I	14b X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	15 X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	16 X	
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	17 X	
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 X	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19 X	
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20 X	
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21 X	
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22 X	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5.? If "Yes," complete Schedule J	23 X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25	24a X	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a X	
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I	25b X	
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26 X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27 X	

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV . . . . .	28a	X
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV . . . . .	28b	X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV . . . . .	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M . . . . .	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M . . . . .	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I . . . . .	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II . . . . .	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I . . . . .	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 . . . . .	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 . . . . .	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 . . . . .	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI . . . . .	37	X

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

- 1a** Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable . . . . . **1a** **58**
- b** Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable **1b** **NONE**
- c** Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? . . . . .
- 2a** Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return . . . . . **2a** **166**
- b** If at least one is reported on line 2a, did the organization file all required federal employment tax returns? . . . . .
- Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)
- 3a** Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .
- b** If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O . . . . .
- 4a** At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .
- b** If "Yes," enter the name of the foreign country: ► See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts.
- 5a** Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . . . .
- b** Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? . . . . .
- c** If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? . . . . .
- 6a** Did the organization solicit any contributions that were not tax deductible? . . . . .
- b** If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .
- 7 Organizations that may receive deductible contributions under section 170(c).**
- a** Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75? . . . . .
- b** If "Yes," did the organization notify the donor of the value of the goods or services provided? . . . . .
- c** Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? . . . . .
- d** If "Yes," indicate the number of Forms 8282 filed during the year . . . . . **7d**
- e** Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .
- f** Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . .
- g** For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . . . .
- h** For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? . . . . .
- 8 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .
- 9 Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**
- a** Did the organization make any taxable distributions under section 4966? . . . . .
- b** Did the organization make a distribution to a donor, donor advisor, or related person? . . . . .
- 10 Section 501(c)(7) organizations.** Enter:
- a** Initiation fees and capital contributions included on Part VIII, line 12 . . . . . **10a**
- b** Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities . . . . . **10b**
- 11 Section 501(c)(12) organizations.** Enter:
- a** Gross income from members or shareholders . . . . . **11a**
- b** Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . . **11b**
- 12a Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041? . . . . .
- b** If "Yes," enter the amount of tax-exempt interest received or accrued during the year . . . . . **12b**

Yes	No
<b>1c</b>	
<b>2b</b>	X
<b>3a</b>	X
<b>3b</b>	
<b>4a</b>	X
<b>5a</b>	X
<b>5b</b>	X
<b>5c</b>	
<b>6a</b>	X
<b>6b</b>	
<b>7a</b>	X
<b>7b</b>	
<b>7c</b>	X
<b>7e</b>	X
<b>7f</b>	X
<b>7g</b>	
<b>7h</b>	
<b>8</b>	
<b>9a</b>	
<b>9b</b>	
<b>12a</b>	

**Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)**

**Section A. Governing Body and Management**

		Yes	No
<i>For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.</i>			
1a	Enter the number of voting members of the governing body . . . . .	1a 22	
b	Enter the number of voting members that are independent . . . . .	1b 21	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	2 X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .	3 X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . . . .	4 X	
5	Did the organization become aware during the year of a material diversion of the organization's assets? . . . . .	5 X	
6	Does the organization have members or stockholders? . . . . .	6 X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? . . . . .	7a X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . . . .	7b X	
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body? . . . . .	8a X	
b	Each committee with authority to act on behalf of the governing body? . . . . .	8b X	
9a	Does the organization have local chapters, branches, or affiliates? . . . . .	9a X	
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? . . . . .	9b X	
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990 . . . . .	10 X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .	11 X	

**Section B. Policies**

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done . . . . .	12c X	
13	Does the organization have a written whistleblower policy? . . . . .	13 X	
14	Does the organization have a written document retention and destruction policy? . . . . .	14 X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a	The organization's CEO, Executive Director, or top management official? . . . . .	15a X	
b	Other officers or key employees of the organization? . . . . .	15b X	
Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .	16a X	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	16b X	

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed ► NY . . . . .
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
- Own website    Another's website    Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► ORGANIZATION 675 WEST 252 STREET BRONX, NY 10471 . . . . .  
(718) 549-3200

## **Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current officers**, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current key employees**. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List the organization's five **current highest compensated employees** (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former officers**, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

**1b Total** ..... ► **430,860.** **NONE**

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ► 6

- 3** Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual . . . . .

**4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual . . . . .

**5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person . . . . .

	Yes	No
3		X
4	X	
5		X

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**Section B. Independent Contractors**

- 1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
<b>SEE STATEMENT 3</b>		
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**Part VIII Statement of Revenue**

13-6178903

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, gifts, grants and other similar amounts</b>					
1a Federated campaigns . . . . .	1a				
b Membership dues . . . . .	1b				
c Fundraising events . . . . .	1c				
d Related organizations . . . . .	1d				
e Government grants (contributions) . . . . .	1e	242,736.			
f All other contributions, gifts, grants, and similar amounts not included above . . . . .	1f	5,703,226.			
g Noncash contributions included in lines 1a-1f . . . . .		272,842.			
<b>h Total. Add lines 1a-1f . . . . .</b>		5,945,962.			
<b>Program Service Revenue</b>		<b>Business Code</b>			
2a GATE ADMISSIONS			96,120.	96,120.	
b COURSE & WORKSHOPS			97,052.	97,052.	
c FOOD SERVICE OPER.			73,454.	73,454.	
d MEMBERSHIP DUES			176,718.	176,718.	
e					
f All other program service revenue . . . . .					
<b>g Total. Add lines 2a-2f . . . . .</b>		443,344.			
3 Investment income (including dividends, interest, and other similar amounts) . . . . .	STMT 4.	306,299.	306,299.		
4 Income from investment of tax-exempt bond proceeds . . . . .		NONE			
5 Royalties . . . . .		NONE			
6a Gross Rents . . . . .	(i) Real				
b Less: rental expenses . . . . .	(ii) Personal				
c Rental Income or (loss) . . . . .					
d Net rental income or (loss) . . . . .			NONE		
7a Gross amount from sales of assets other than inventory . . . . .	(i) Securities				
b Less: cost or other basis and sales expenses . . . . .	3,626,944.				
c Gain or (loss) . . . . .	4,840,850.				
d Net gain or (loss) . . . . .	-1,213,906.				
8a Gross income from fundraising events (not including \$ . . . . . of contributions reported on line 1c). See Part IV, line 18. . . . .	a	664,656.			
b Less: direct expenses . . . . .	b	143,649.			
c Net income or (loss) from fundraising events .	STMT 5.	521,007.			
9a Gross income from gaming activities. See Part IV, line 19. . . . .	a				
b Less: direct expenses . . . . .	b				
c Net income or (loss) from gaming activities . . . . .			NONE		
10a Gross sales of inventory, less returns and allowances . . . . .	a	279,161.			
b Less: cost of goods sold . . . . .	b	192,150.			
c Net income or (loss) from sales of inventory. .	STMT 6.	87,011.			
<b>Miscellaneous Revenue</b>	<b>Business Code</b>				
11a LOCATION FEES AND RENTALS			90,134.	90,134.	
b MISC INCOME			43,753.	43,753.	
c					
d All other revenue . . . . .					
e Total. Add lines 11a-11d . . . . .		133,887.			
<b>12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e . . . . .</b>		6,223,604.		883,530.	

**Part IX Statement of Functional Expenses****Section 501(c)(3) and 501(c)(4) organizations must complete all columns.****All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . . . .	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 . . . . .	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 . . . . .	NONE			
4 Benefits paid to or for members . . . . .	NONE			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	NONE			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	NONE			
7 Other salaries and wages . . . . .	3,068,808.	2,174,669.	894,139.	NONE
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . . . . .	NONE			
9 Other employee benefits . . . . .	NONE			
10 Payroll taxes . . . . .	972,004.	729,776.	242,228.	NONE
11 Fees for services (non-employees):				
a Management . . . . .	NONE			
b Legal . . . . .	NONE			
c Accounting . . . . .	NONE			
d Lobbying . . . . .	NONE			
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees . . . . .	NONE			
g Other . . . . .	NONE			
12 Advertising and promotion . . . . .	NONE			
13 Office expenses . . . . .	NONE			
14 Information technology . . . . .	NONE			
15 Royalties . . . . .	NONE			
16 Occupancy . . . . .	NONE			
17 Travel . . . . .	13,638.	9,692.	3,946.	NONE
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings . . . . .	NONE			
20 Interest . . . . .	NONE			
21 Payments to affiliates . . . . .	NONE			
22 Depreciation, depletion, and amortization . . . . .	NONE			
23 Insurance . . . . . <b>STMT. 7</b>	NONE			
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a FEES AND STIPENDS . . . . .	256,126.	131,326.	124,800.	NONE
b CONTRACTUAL SVCS AND SUPPLIES . . . . .	496,261.	441,670.	54,591.	NONE
c ADVERTISING, DUES AND SUBS . . . . .	57,622.	54,078.	3,544.	NONE
d INSURANCE . . . . .	100,703.	90,633.	10,070.	NONE
e PROFESSIONAL FEES . . . . .	65,719.	NONE	65,719.	NONE
f All other expenses . . . . .	413,234.	251,447.	161,787.	NONE
25 Total functional expenses. Add lines 1 through 24f	5,444,115.	3,883,291.	1,560,824.	NONE
26 Joint Costs. Check here ► <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation . . . . .				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing . . . . .	1,814,137.	1	1,794,843.
	2 Savings and temporary cash investments . . . . .		2	
	3 Pledges and grants receivable, net . . . . .	529,416.	3	2,297,344.
	4 Accounts receivable, net . . . . .		4	
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L . . . . .		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .		6	
	7 Notes and loans receivable, net . . . . .		7	
	8 Inventories for sales or use . . . . .	138,674.	8	104,509.
	9 Prepaid expenses and deferred charges . . . . .	STMT. 8..	9	95,046.
	10a Land, buildings, and equipment: cost basis . . . . .	10a 3,521,520		
	b Less: accumulated depreciation. Complete Part VI of Schedule D. . . . .	10b 1,327,863	10c	2,193,657.
	11 Investments - publicly traded securities . . . . .	STMT. 9..	11	8,991,689. 6,531,781.
	12 Investments - other securities. See Part IV, line 11 . . . . .		12	11,145,957. 7,058,947.
	13 Investments - program-related. See Part IV, line 11 . . . . .		13	
	14 Intangible assets . . . . .		14	
	15 Other assets. See Part IV, line 11 . . . . .		15	65,920. 265,920.
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .		16	25,156,307. 20,342,047.
<b>Liabilities</b>	17 Accounts payable and accrued expenses . . . . .	432,283.	17	427,155.
	18 Grants payable . . . . .		18	
	19 Deferred revenue . . . . .		19	
	20 Tax-exempt bond liabilities . . . . .		20	
	21 Escrow account liability. Complete Part IV of Schedule D . . . . .		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .			NONE 22 NONE
	23 Secured mortgages and notes payable to unrelated third parties STMT. 10 . . . . .	STMT. 10..	23	23,784.
	24 Unsecured notes and loans payable . . . . .		24	
	25 Other liabilities. Complete Part X of Schedule D . . . . .		25	
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .		26	432,283. 450,939.
	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets . . . . .	3,073,875.	27	2,883,344.
	28 Temporarily restricted net assets . . . . .	688,912.	28	2,504,815.
	29 Permanently restricted net assets . . . . .	20,961,237.	29	14,502,949.
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds . . . . .		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund . . . . .		31	
	32 Retained earnings, endowment, accumulated income, or other funds . . . . .		32	
	<b>33 Total net assets or fund balances . . . . .</b>	24,724,024.	33	19,891,108.
	<b>34 Total liabilities and net assets/fund balances . . . . .</b>	25,156,307.	34	20,342,047.

**Part XI Financial Statements and Reporting**

		Yes	No
1 Accounting method used to prepare the Form 990:	<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .		2a	X
b Were the organization's financial statements audited by an independent accountant? . . . . .		2b	X
c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . . . .		2c	X
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .		3a	X
b If "Yes," did the organization undergo the required audit or audits? . . . . .		3b	

Form 990 (2008)

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Public Charity Status and Public Support**

OMB No 1545-0047

**2008**

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1)  
nonexempt charitable trusts.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

Name of the organization

WAVE HILL INCORPORATED

Employer identification number

13-6178903

**Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)**

The organization is not a private foundation because it is: (Please check only one organization.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(I).
- 2  A school described in section 170(b)(1)(A)(II). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(III). (Attach Schedule H.)
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(III). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(IV). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(V).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(VI). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(VI). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)

- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a  Type I      b  Type II      c  Type III - Functionally Integrated      d  Type III - Other

e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box . . . . .

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (I) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? . . . . .
- (II) A family member of a person described in (i) above? . . . . .
- (III) A 35% controlled entity of a person described in (i) or (ii) above? . . . . .

	Yes	No
11g(I)	X	
11g(II)	X	
11g(III)	X	

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule A (Form 990 or 990-EZ) 2008

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)
**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	3,361,646.	3,437,985.	3,655,470.	3,676,431.	5,945,962.	20,077,494.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
3 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
4 Total. Add lines 1-3 . . . . .	3,361,646.	3,437,985.	3,655,470.	3,676,431.	5,945,962.	20,077,494.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) . . . . .						
6 Public support. Subtract line 5 from line 4						20,077,494.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4. . . . .	3,361,646.	3,437,985.	3,655,470.	3,676,431.	5,945,962.	20,077,494.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	288,315.	285,645.	316,302.	395,791.	306,299.	1,592,352.
9 Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
11 Total support. Add lines 7 through 10 . . . . .						21,669,846.
12 Gross receipts from related activities, etc. (See instructions.) . . . . .					12	2,627,666.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here . . . . . ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . .	14	92.65 %
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . .	15	90.10 %
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input checked="" type="checkbox"/>		
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ► <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**  
 (Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
6 Total. Add lines 1-5 . . . . .						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000 . . . . .						
c Add lines 7a and 7b. . . . .						
8 Public support (Subtract line 7c from line 6.) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6. . . . .						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
c Add lines 10a and 10b . . . . .						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
13 Total support. (Add lines 9, 10c, 11, and 12.) . . . . .						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. . . . . ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)) . . . . .	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g . . . . .	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)) . . . . .	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h . . . . .	18	%
19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
b 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . . . . ► <input type="checkbox"/>		

**Part IV Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

**SCHEDULE D**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

OMB No 1545-0047

**2008**Open to Public  
Inspection

Name of the organization

WAVE HILL INCORPORATED

Employer identification number

13-6178903

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	<input type="checkbox"/>	Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? .....	<input type="checkbox"/>	Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/>	Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/>	Preservation of an historically important land area
<input type="checkbox"/>	Protection of natural habitat	<input type="checkbox"/>	Preservation of certified historic structure
<input type="checkbox"/>	Preservation of open space		

- 2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
2a	
2b	
2c	
2d	

- a Total number of conservation easements .....
- b Total acreage restricted by conservation easements .....
- c Number of conservation easements on a certified historic structure included in (a) .....
- d Number of conservation easements included in (c) acquired after 8/17/06 .....
- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_
- 4 Number of states where property subject to conservation easement is located ► \_\_\_\_\_
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? .....
- 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ► \_\_\_\_\_
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ► \$ \_\_\_\_\_
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? .....
- 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**  
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (I) Revenues included in Form 990, Part VIII, line 1 .....
- (II) Assets included in Form 990, Part X .....
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 .....
- b Assets included in Form 990, Part X .....

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2008

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- |                                       |                                     |                            |                           |
|---------------------------------------|-------------------------------------|----------------------------|---------------------------|
| a <input checked="" type="checkbox"/> | Public exhibition                   | d <input type="checkbox"/> | Loan or exchange programs |
| b <input type="checkbox"/>            | Scholarly research                  | e <input type="checkbox"/> | Other _____               |
| c <input type="checkbox"/>            | Preservation for future generations |                            |                           |

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . .  Yes  No

**Part IV Trust, Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . .  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . .  Yes  No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance . . . . .	20,961,237.				
b Contributions . . . . .	900.				
c Investment earnings or losses . . . . .	-912,882.				
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .					
f Administrative expenses . . . . .	119,585.				
g End of year balance . . . . .	19,929,670.				

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ► 100.0000 %

b Permanent endowment ► \_\_\_\_\_ %

c Term endowment ► \_\_\_\_\_ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
3a(I)		X
3a(II)		X
3b		

(I) unrelated organizations . . . . .

(II) related organizations . . . . .

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land . . . . .				
b Buildings . . . . .	NONE	3,067,228.	1,121,017.	1,946,211.
c Leasehold improvements . . . . .	NONE		NONE	NONE
d Equipment . . . . .	NONE	454,295.	206,849.	247,446.
e Other . . . . .				

Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ► 2,193,657.

**Part VII Investments - Other Securities. See Form 990, Part X, line 12.**

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products . . . . .		
Closely-held equity interests . . . . .		
<u>Other ARIEL FUND LTD</u>	300,000.	FMV
<u>ALTERNATIVE INVESTMENTS, LP</u>	2,034,957.	FMV
<u>GMO GLOBAL EQUITY ALLOCA. FUND</u>	2,602,299.	FMV
<u>LONE JUNIPER</u>	2,121,691.	FMV

Total. (Column (b) should equal Form 990, Part X, col (B) line 12) ► 7,058,947.

**Part VIII Investments - Program Related. See Form 990, Part X, line 13.**

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
<b>Total:</b> (Column (b) should equal Form 200, Part X, col. (B) line 12)		

**Total. (Column (b) should equal Form 990, Part X, col (B) line 13)**

**Part IX Other Assets. See Form 990, Part X, line 15.**

**Total. (Column (b) should equal Form 990, Part X, col (B) line 15)**

**Part X Other Liabilities. See Form 990, Part X, line 25.**

In Part XIV, provide the text of the footnote to the

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

## **Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12) . . . . .	1	6,223,604.
2	Total expenses (Form 990, Part IX, column (A), line 25) . . . . .	2	5,444,115.
3	Excess or (deficit) for the year. Subtract line 2 from line 1 . . . . .	3	779,489.
4	Net unrealized gains (losses) on investments . . . . .	4	
5	Donated services and use of facilities . . . . .	5	
6	Investment expenses . . . . .	6	
7	Prior period adjustments . . . . .	7	
8	Other (Describe in Part XIV) . . . . .	8	
9	Total adjustments (net). Add lines 4-8 . . . . .	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9 . . . . .	10	779,489.

## **Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	5,517,502.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments . . . . .	2a	
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	192,150.
e	Add lines 2a through 2d . . . . .	2e	192,150.
3	Subtract line 2e from line 1 . . . . .	3	5,325,352.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.) . . . . .	5	5,325,352.

### **Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements . . . . .	1	5,636,265.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Losses reported on Form 990, Part IX, line 25 . . . . .	2c	5,444,115.
d	Other (Describe in Part XIV) . . . . .	2d	192,150.
e	Add lines 2a through 2d . . . . .	2e	5,636,265.
3	Subtract line 2e from line 1 . . . . .	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.) . . . . .	5	

**Part XIV | Supplemental Information**

**Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.**

SEE PAGE 5

**Part XIV Supplemental Information (continued)**

ENDOWMENT FUND

SCHEDULE D, PART V

THE ORGANIZATION'S ENDOWMENT FUND CONSIST OF ASSETS THAT HAVE BEEN

CONTRIBUTED BY DONORS, SOME OF WHOM HAVE DIRECTED THAT THEIR CONTRIBUTION

BE USED FOR SPECIFIC PURPOSES SUCH AS EDUCATION OR HORTICULTURE. IF NO

DESIGNATION IS MADE BY THE DONOR, THE CONTRIBUTIONS ARE USED FOR GENERAL

OPERATING SUPPORT.

WORK OF ART

SCHEDULE D, PART III

WAVE HILL RECEIVED A WORK OF ART AS A GIFT. IT IS RECORDED AT FAIR MARKET

VALUE AT THE DATE OF THE GIFT AS DETERMINED BY INDEPENDENT APPRAISAL.

THIS WORK OF ART IS DISPLAYED IN THE MAIN BUILDING OF THE ORGANIZATION

FOR VISITORS TO VIEW.

**SCHEDULE G**  
**(Form 990 or 990-EZ)**

## **Supplemental Information Regarding Fundraising or Gaming Activities**

OMB No 1545-0047

2008

**Open To Public  
Inspection**

**Department of the Treasury  
Internal Revenue Service**

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**Name of the organization**

**WAVE HILL INCORPORATED**

**Employer identification number**

13-6178903

**Part I** **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

**1** Indicate whether the organization raised funds through any of the following activities Check all that apply.

- |   |                         |   |                                       |
|---|-------------------------|---|---------------------------------------|
| a | Mail solicitations      | e | Solicitation of non-government grants |
| b | Email solicitations     | f | Solicitation of government grants     |
| c | Phone solicitations     | g | Special fundraising events            |
| d | In-person solicitations |   |                                       |

**2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities?  Yes  No

**b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

**Total** . . . . . 

**3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.**

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**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

	(a) Event #1 <u>SPECIAL EVENTS</u> (event type)	(b) Event #2 (event type)	(c) Other Events <u>NONE</u> (total number)	(d) Total Events (Add col. (a) through col. (c))
Revenue	1 Gross receipts . . . . .	664,656.		664,656.
	2 Less: Charitable contributions . . . . .			
	3 Gross revenue (line 1 minus line 2) . . . . .	664,656.		664,656.
Direct Expenses	4 Cash prizes . . . . .			
	5 Non-cash prizes . . . . .			
	6 Rent/facility costs . . . . .			
	7 Other direct expenses . . . . .	143,649.		143,649.
	8 Direct expense summary. Add lines 4 through 7 in column (d) . . . . .			► ( 143,649.)
	9 Net income summary. Combine lines 3 and 8 in column (d) . . . . .			► 521,007.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))																		
Revenue	1 Gross revenue . . . . .																					
Direct Expenses	2 Cash prizes . . . . .																					
	3 Non-cash prizes . . . . .																					
	4 Rent/facility costs . . . . .																					
	5 Other direct expenses . . . . .																					
	6 Volunteer labor . . . . .	<table border="1"><tr><td><input type="checkbox"/></td><td>Yes</td><td>%</td></tr><tr><td><input type="checkbox"/></td><td>No</td><td></td></tr></table>	<input type="checkbox"/>	Yes	%	<input type="checkbox"/>	No		<table border="1"><tr><td><input type="checkbox"/></td><td>Yes</td><td>%</td></tr><tr><td><input type="checkbox"/></td><td>No</td><td></td></tr></table>	<input type="checkbox"/>	Yes	%	<input type="checkbox"/>	No		<table border="1"><tr><td><input type="checkbox"/></td><td>Yes</td><td>%</td></tr><tr><td><input type="checkbox"/></td><td>No</td><td></td></tr></table>	<input type="checkbox"/>	Yes	%	<input type="checkbox"/>	No	
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	7 Direct expense summary. Add lines 2 through 5 in column (d) . . . . .			► ( )																		
	8 Net gaming income summary. Combine lines 1 and 7 in column (d) . . . . .			►																		

- 9 Enter the state(s) in which the organization operates gaming activities:  
 a Is the organization licensed to operate gaming activities in each of these states? . . . . .  
 b If "No," Explain:  
 \_\_\_\_\_
- 10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  
 b If "Yes," Explain:  
 \_\_\_\_\_
- 11 Does the organization operate gaming activities with nonmembers? . . . . .  
 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . .
- |    |     |    |
|----|-----|----|
|    |     |    |
| 9a |     |    |
|    | 10a |    |
|    |     | 11 |
|    |     | 12 |

- 13 Indicate the percentage of gaming activity operated in:
- The organization's facility . . . . .
  - An outside facility . . . . .
- |     |   |
|-----|---|
| 13a | % |
| 13b | % |
- 14 Provide the name and address of the person who prepares the organization's gaming/special event books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . .
- b If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_.
- c If "Yes," enter name and address:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

16 Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

Director/officer       Employee       Independent contractor

17 Mandatory distributions:

- Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . .
- Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

15a

17a

**SCHEDULE J  
(Form 990)**Department of the Treasury  
Internal Revenue Service**Compensation Information**

OMB No 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees► Attach to Form 990. To be completed by organizations  
that answered "Yes" to Form 990, Part IV, line 23.**2008**Open to Public  
Inspection

Name of the organization

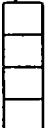
**WAVE HILL INCORPORATED**

Employer identification number

**13-6178903****Part I Questions Regarding Compensation**

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

First-class or charter travel  
 Travel for companions  
 Tax indemnification and gross-up payments  
 Discretionary spending account



Housing allowance or residence for personal use  
Payments for business use of personal residence  
Health or social club dues or initiation fees  
Personal services (e.g., maid, chauffeur, chef)

Yes	No
-----	----

<b>1b</b>	
<b>2</b>	
<b>4a</b>	X
<b>4b</b>	X
<b>4c</b>	X
<b>5a</b>	X
<b>5b</b>	X
<b>6a</b>	X
<b>6b</b>	X
<b>7</b>	X
<b>8</b>	X

- b** If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain . . . . .

- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? . . . . .

- 3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

Compensation committee  
 Independent compensation consultant  
 Form 990 of other organizations



Written employment contract  
Compensation survey or study  
Approval by the board or compensation committee

- 4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- a** Receive a severance payment or change of control payment? . . . . .  
**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . . .  
**c** Participate in, or receive payment from, an equity-based compensation arrangement? . . . . .

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.**

- 5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? . . . . .  
**b** Any related organization? . . . . .

If "Yes" to line 5a or 5b, describe in Part III.

- 6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? . . . . .  
**b** Any related organization? . . . . .

If "Yes" to line 6a or 6b, describe in Part III.

- 7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III . . . . .

- 8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III . . . . .

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(I) Base compensation	(II) Bonus & incentive compensation	(III) Other reportable compensation				
CLAUDIA BONN	(i) <u>200,000.</u> NONE					<u>200,000.</u> NONE	
	(ii)						
	(iii)						
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**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

13-6178903

Page 3

**SCHEDULE M**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Non-Cash Contributions**

► To be completed by organizations that answered  
"Yes" on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

OMB No. 1545-0047

**2008**

Open To Public  
Inspection

Name of the organization

**WAVE HILL INCORPORATED**

Employer identification number

**13-6178903**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art-Works of art . . . . .	X	1	200,000.	APPRAISAL
2 Art-Historical treasures . . . . .				
3 Art-Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities-Publicly traded . . . . .	X	4	73,887.	FMV
10 Securities-Closely held stock . . . . .				
11 Securities-Partnership, LLC, or trust interests . . . . .				
12 Securities-Miscellaneous . . . . .				
13 Qualified conservation contribution (historic structures) . . . . .				
14 Qualified conservation contribution (other) . . . . .				
15 Real estate-Residential . . . . .				
16 Real estate-Commercial . . . . .				
17 Real estate-Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory. . . . .				
20 Drugs and medical supplies. . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens. . . . .				
24 Archeological artifacts. . . . .				
25 Other ►(-----)				
26 Other ►(-----)				
27 Other ►(-----)				
28 Other ►(-----)				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . .			29	

- 30 a During the year, did the organization receive by contribution any property reported in Part I, line 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .
- b If "Yes," describe the arrangement in Part II.
- 31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .
- 32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .
- b If "Yes," describe in Part II.
- 33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.

	Yes	No
30a	X	
31	X	
32a	X	

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2008

JSA

8E1298 1 000

1PT0JQ E422 02/11/2010 08:58:02 V08-8.3

Part II

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

### THIRD PARTY

SCHEDULE M, QUESTION 32A

MERRILL LYNCH IS THE THIRD PARTY USED TO SELL PUBLICLY TRADED SECURITIES

RECEIVED BY THE ORGANIZATION AS CONTRIBUTIONS.

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION  
=====

CELEBRATE THE ARTISTRY AND LEGACY OF ITS GARDENS AND LANDSCAPES, TO PRESERVE ITS MAGNIFICENT VIEWS AND TO EXPLORE HUMAN CONNECTIONS TO THE NATURAL WORLD THROUGH PROGRAMS IN HORTICULTURE, EDUCATION, & THE ARTS.

## FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

DESCRIPTION	GRANTS	EXPENSES	REVENUE
ARTS- PRODUCTION OF CHAMBER MUSIC, DANCE PERFOMANCES, AND ART EXHIBITIONS DEPRECIATION - ALLOCATED TO ALL PROGRAMS			83,520. 253,197.
TOTALS			336,717.

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS  
=====

## NAME AND ADDRESS

## DESCRIPTION OF SERVICES COMPENSATION

DATTNER ARCHITECTS  
130 WEST 57TH STREET  
NEW YORK, NY 10019

CONSTRUCTION                    142,450.

TOTAL COMPENSATION

142,450.  
=====

WAVE HILL INCORPORATED

FORM 990, PART VIII - INVESTMENT INCOME

13-6178903

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INTEREST AND DIVIDENDS	306,299.	306,299.		
TOTALS	306,299.	306,299.		

## FORM 990, PART VIII - FUNDRAISING EVENTS

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES	NET INCOME
SPECIAL EVENTS	664,656.	143,649.	521,007.
TOTALS	664,656.	143,649.	521,007.

## FORM 990, PART VIII - GROSS SALES AND COST OF GOODS SOLD

DESCRIPTION	GROSS SALES	BEGINNING INVENTORY	PURCHASES	SALARIES AND WAGES	OTHER COSTS	MINUS:	COST OF ENDING GOODS SOLD
COST OF GOODS SOLD	279,161.	138,674.	157,985.			104,509.	192,150.
TOTALS	279,161.	138,674.	157,985.			104,509.	192,150.

**Description of Property**  
**GENERAL DEPRECIATION**  
**DEPRECIATION**

	Date placed in service	Unadjusted Cost or basis	Bus. %	179 exp. reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me-thod	Conv.	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
<b>Asset description</b>															
<b>BUILDING</b>															
VAR	1,386,194.	100,000				1,386,194.	503,492.	585,938.	SL		20,000				82,446.
<b>EQUIPMENT</b>															
VAR	418,604.	100,000				418,604.	107,586.	183,781.	SL		5,000				76,195.
<b>EQUIPMENT</b>															
VAR	35,691.	100,000				35,691.	20,689.	23,068.	SL		15,000				2,379.
<b>BUILDING</b>															
VAR	727,567.	100,000				727,567.	169,218.	212,972.	SL		20,000				43,754.
<b>BUILDING</b>															
VAR	953,467.	100,000				953,467.	273,685.	322,107.	SL		20,000				46,422.
<b>Less: Retired Assets</b>															
<b>Subtotals</b>															
<b>Listed Property</b>															
<b>Less: Retired Assets</b>															
<b>Subtotals</b>															
<b>TOTALS</b>															
<b>AMORTIZATION</b>															
<b>Asset description</b>	Date placed in service	Cost or basis													
<b>TOTALS</b>															

\*Assets Retired  
JSA  
BX9024 1 000

FORM 990, PART X - PREPAID EXPENSES AND DEFERRED CHARGES  
=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
PREPAID EXPENSES	252,553.	95,046.
TOTALS	252,553.	95,046.

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES  
=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	COST OR FMV
SCHWAB	980,749.	NONE	FMV
FIRST MANHATTAN	3,155,104.	1,885,503.	FMV
SMITH BARNEY	3,254,675.	3,217,240.	FMV
MERRILL LYNCH	NONE	63,076.	FMV
EVERETT TRUST	1,601,161.	1,122,238.	FMV
GINEWSKY TRUST	NONE	79,490.	FMV
BEINEKE TRUST	NONE	164,234.	FMV
TOTALS	8,991,689.	6,531,781.	

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE  
=====

LENDER: VEHICLE NOTE PAYABLE

ORIGINAL AMOUNT: 23,784.

DATE OF NOTE: 06/22/2009

MATURITY DATE: 07/31/2012

REPAYMENT TERMS: MONTHLY FOR 36 MONTHS

SECURITY PROVIDED: NONE

PURPOSE OF LOAN: VEHICLE LOAN

DESCRIPTION AND FMV LENDER PROVIDED A VEHICLE FMV \$23,784  
OF CONSIDERATION:BEGINNING BALANCE DUE ..... NONE  
ENDING BALANCE DUE ..... 23,784.  
=====TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE NONE  
=====TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE 23,784.  
=====

## **Capital Gains and Losses**

► Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

2008

**Name of estate or trust**

**Employer identification number**

WAVE HILL INCORPORATED

**Note: Form 5227 filers need to complete only Parts I and II.**

## **Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co )	(b) Date acquired (mo , day, yr )	(c) Date sold (mo , day, yr )	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1 a					

- |  |    |     |
|--|----|-----|
| b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b . . . . .  | 1b |     |
| 2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .  | 2  |     |
| 3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .                                 | 3  |     |
| 4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2007 Capital Loss Carryover Worksheet . . . . .        | 4  | ( ) |
| 5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back . . . . . ► | 5  |     |

## **Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co )	(b) Date acquired (mo , day, yr )	(c) Date sold (mo , day, yr )	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6 a					

- |  |    |             |
|--|----|-------------|
| b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b . . . . .   | 6b | -1,213,906. |
| 7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .   | 7  |             |
| 8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .                                    | 8  |             |
| 9 Capital gain distributions . . . . .   | 9  |             |
| 10 Gain from Form 4797, Part I . . . . .   | 10 |             |
| 11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2007 Capital Loss Carryover Worksheet . . . . .         | 11 | ( )         |
| 12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back . . . . . ► | 12 | -1,213,906. |

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**For Paperwork Reduction Act Notice, see the Instructions for Form 1041.**

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Schedule D (Form 1041) 2008

<b>Part III Summary of Parts I and II</b>		<b>(1) Beneficiaries' (see page 5)</b>	<b>(2) Estate's or trust's</b>	<b>(3) Total</b>
13	Net short-term gain or (loss) . . . . .	13		
14	Net long-term gain or (loss):			
a	Total for year . . . . .	14a		-1,213,906.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.) . . . . .	14b		
c	28% rate gain . . . . .	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ►	15		-1,213,906.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the Capital Loss Carryover Worksheet, as necessary.

#### Part IV Capital Loss Limitation

16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of:	16	(	3,000.)
a	The loss on line 15, column (3) or b \$3,000			

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the Capital Loss Carryover Worksheet on page 7 of the instructions to figure your capital loss carryover.

#### Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the worksheet on page 8 of the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . .	17		
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero . . . . .	18		
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in Income in Part I of Form 990-T) . . . . .	19		
20	Add lines 18 and 19 . . . . .	20		
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ►	21		
22	Subtract line 21 from line 20. If zero or less, enter -0- . . . . .	22		
23	Subtract line 22 from line 17. If zero or less, enter -0- . . . . .	23		
24	Enter the smaller of the amount on line 17 or \$2,200 . . . . .	24		
25	Is the amount on line 23 equal to or more than the amount on line 24?			
	<input type="checkbox"/> Yes. Skip lines 25 and 26; go to line 27 and check the "No" box.	25		
	<input type="checkbox"/> No. Enter the amount from line 23. . . . .	26		
26	Subtract line 25 from line 24. . . . .	26		
27	Are the amounts on lines 22 and 26 the same?	27		
	<input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	28		
28	Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .	28		
29	Subtract line 28 from line 27 . . . . .	29		
30	Multiply line 29 by 15% ( 15) . . . . .	30		
31	Figure the tax on the amount on line 23. Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions) . . . . .	31		
32	Add lines 30 and 31 . . . . .	32		
33	Figure the tax on the amount on line 17. Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions) . . . . .	33		
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on line 1a of Schedule G, Form 1041 (or line 36 of Form 990-T) . . . . .	34		

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side

**Employer identification number**

13-6178903

## WAVE HILL, INCORPORATED

## **Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

**6b Total.** Combine the amounts in column (f). Enter here and on Schedule D, line 6b . . . . . -1,213,906.

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**Schedule D-1 (Form 1041) 2008**

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Form 4562

# Depreciation and Amortization (Including Information on Listed Property)

OMB No 1545-0172

Department of the Treasury  
Internal Revenue Service  
(99)

► See separate instructions.

► Attach to your tax return.

2008

Attachment  
Sequence No 67

Name(s) shown on return

**WAVE HILL INCORPORATED**

Business or activity to which this form relates

Identifying number  
**13-6178903****GENERAL DEPRECIATION****Part I Election To Expense Certain Property Under Section 179***Note: If you have any listed property, complete Part V before you complete Part I.*

1 Maximum amount. See the instructions for a higher limit for certain businesses . . . . .	1	
2 Total cost of section 179 property placed in service (see instructions) . . . . .	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions) . . . . .	3	
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions . . . . .	5	
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7 Listed property. Enter the amount from line 29 . . . . .	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8 . . . . .	9	
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562 . . . . .	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . .	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 . . . . .	12	
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 . . . . . ►	13	

*Note: Do not use Part II or Part III below for listed property. Instead, use Part V.***Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) . . . . .	14	
15 Property subject to section 168(f)(1) election . . . . .	15	
16 Other depreciation (including ACRS) . . . . .	16	253,196.

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)****Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2008 . . . . .	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . . ►	<input type="checkbox"/>	

**Section B - Assets Placed In Service During 2008 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

**Section C - Assets Placed In Service During 2008 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year				12 yrs.	S/L	
c 40-year				40 yrs.	MM	S/L

**Part IV Summary (See instructions.)**

21 Listed property. Enter amount from line 28 . . . . .	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr. . . . .	22	253,196.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .	23	

**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A - Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?			Yes	X	No	24b If "Yes," is the evidence written?		Yes	X	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25			
26 Property used more than 50% in a qualified business use:		%								
		%								
		%								
27 Property used 50% or less in a qualified business use:		%				S/L -				
		%				S/L -				
		%				S/L -				
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28				
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1										29

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
	Yes	No	Yes	No	Yes	No
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?						
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

**Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year (see instructions):					
43 Amortization of costs that began before your 2008 tax year				43	
44 Total. Add amounts in column (f). See the instructions for where to report				44	

\*Assets Retired  
JSA 8X902A 1 000

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<b>INDEPENDENT AUDITORS' REPORT</b>	<b>SHEET NO.</b>	<b>1</b>
<b>STATEMENTS OF FINANCIAL POSITION</b> June 30, 2009 and 2008		<b>2</b>
<b>STATEMENTS OF ACTIVITIES</b> Years Ended June 30, 2009 and 2008		<b>3-4</b>
<b>STATEMENTS OF CASH FLOWS</b> Years Ended June 30, 2009 and 2008		<b>5</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b> Years Ended June 30, 2009 and 2008		<b>6-7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>		<b>8-18</b>

Certified Public Accountants  
1430 Broadway  
New York, NY 10018  
Telephone: 212 730 1112  
Fax 212 719 1737  
E-Mail: info@phillipsgold.com



#### INDEPENDENT AUDITORS' REPORT

Board of Directors  
**Wave Hill Incorporated**

We have audited the accompanying statements of financial position of Wave Hill Incorporated as of June 30, 2009 and 2008 and the related statements of activities, functional expenses and cash flows, for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wave Hill Incorporated as of June 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Phillips Gold and Company, LLP*  
PHILLIPS GOLD AND COMPANY, LLP

New York, New York  
December 3, 2009

WAVE HILL INCORPORATED  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30,

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,794,843	\$ 1,814,137
Pledges and other receivables	2,297,344	529,416
Inventory	104,509	138,674
Prepaid expenses and other current assets	95,046	252,553
Marketable and other securities	12,224,766	18,536,485
Beneficial interest in split interest agreements	1,365,962	1,601,161
Buildings, improvements and equipment	2,193,657	2,217,961
Work of art - unrestricted	247,920	47,920
Work of art - restricted for use in horticulture	18,000	18,000
<b>TOTAL ASSETS</b>	<b>\$ 20,342,047</b>	<b>\$ 25,156,307</b>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 427,155	\$ 432,283
Note payable	23,784	-
<b>TOTAL LIABILITIES</b>	<b>450,939</b>	<b>432,283</b>
 <b>NET ASSETS</b>		
Unrestricted	2,883,344	3,073,875
Temporarily restricted:		
Operating	2,504,815	688,912
Endowment	14,502,949	20,961,237
	17,007,764	21,650,149
<b>TOTAL NET ASSETS</b>	<b>19,891,108</b>	<b>24,724,024</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 20,342,047</b>	<b>\$ 25,156,307</b>

\*\* Certain amounts have been reclassified to conform to the current year presentation.  
See notes to financial statements.

**WAVE HILL INCORPORATED  
STATEMENTS OF ACTIVITIES  
YEAR ENDED JUNE 30, 2009**

	<u>Temporarily Restricted</u>			
	<u>Unrestricted</u>	<u>Operating</u>	<u>Endowment</u>	<u>Total</u>
<b>Revenues, gains, and other support:</b>				
Contributions and grants	\$ 1,512,792	\$ 2,261,873		\$ 3,774,665
Appropriations by the Department of Cultural Affairs of the City of New York	1,162,707			1,162,707
Board designated endowment funds			\$ 900	900
Special Events - net of direct expenses of \$143,649	521,007			521,007
Trust income	109,438			109,438
Membership dues	176,718			176,718
Sales of plants, books, etc.	279,161			279,161
Location fees and rentals	90,134			90,134
Gate admissions	96,120			96,120
Course and workshop fees	97,052			97,052
Food services	73,454			73,454
Other	43,753			43,753
Dividends and interest	5,275	-	301,024	306,299
Realized losses on sales of assets	-	-	(1,213,906)	(1,213,906)
Net assets released from restrictions:				
Expiration of time	339,500	(339,500)		-
Accomplishment of purpose	<u>106,470</u>	<u>(106,470)</u>	<u>-</u>	<u>-</u>
	<u>4,613,581</u>	<u>1,815,903</u>	<u>(911,982)</u>	<u>5,517,502</u>
<b>Expenses:</b>				
Educational services	878,424			878,424
Performing arts	83,520			83,520
Exhibitions	359,973			359,973
Horticulture	749,010			749,010
Security, maintenance and utilities	732,992			732,992
Membership activities and community services	1,271,522			1,271,522
Management and general	979,740	119,585		1,099,325
Development	<u>461,499</u>	<u>-</u>	<u>-</u>	<u>461,499</u>
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>5,516,680</b>	<b>-</b>	<b>119,585</b>	<b>5,636,265</b>
Depreciation	253,197	-	-	253,197
<b>TOTAL EXPENSES</b>	<b>5,769,877</b>	<b>-</b>	<b>119,585</b>	<b>5,889,462</b>
<b>(Decrease) Increase in Net Assets before unrealized depreciation in marketable and other securities and change in value of split interest agreements</b>	<b>(1,156,296)</b>	<b>1,815,903</b>	<b>(1,031,567)</b>	<b>(371,960)</b>
Unrealized depreciation in marketable securities	-	-	(3,982,033)	(3,982,033)
Change in value of split interest agreements	-	-	(478,923)	(478,923)
<b>(Decrease) Increase in Net Assets</b>	<b>(1,156,296)</b>	<b>1,815,903</b>	<b>(5,492,523)</b>	<b>(4,832,916)</b>
Net Assets - Beginning	3,073,875	688,912	20,961,237	24,724,024
Transfers From Endowment	965,765	-	(965,765)	-
<b>Net Assets - Ending</b>	<b>\$ 2,883,344</b>	<b>\$ 2,504,815</b>	<b>\$ 14,502,949</b>	<b>\$ 19,891,108</b>

**WAVE HILL INCORPORATED  
STATEMENTS OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008**

	<u>Temporarily Restricted</u>			
	<u>Unrestricted</u>	<u>Operating</u>	<u>Endowment</u>	<u>Total</u>
<b>Revenues, gains, and other support:</b>				
Contributions and grants	\$ 1,241,635	\$ 408,470	\$	1,650,105
Appropriations by the Department of Cultural Affairs of the City of New York	1,263,126			1,263,126
Board designated endowment funds	-		\$ 1,900	1,900
Special Events - net of direct expenses of \$163,034	1,229,213			1,229,213
Trust income	102,375			102,375
Membership dues	144,210			144,210
Sales of plants, books, etc.	268,470			268,470
Location fees and rentals	84,459			84,459
Gate admissions	115,736			115,736
Course and workshop fees	75,137			75,137
Food services	78,038			78,038
Other	9,698			9,698
Dividends and interest	12,818	-	382,972	395,791
Realized gains on sales of assets	-	-	1,484,597	1,484,597
Net assets released from restrictions:				
Expiration of time	138,000	(138,000)		-
Accomplishment of purpose	56,800	(56,800)		-
	<u>4,819,718</u>	<u>213,670</u>	<u>1,869,469</u>	<u>6,902,855</u>
<b>Expenses:</b>				
Educational services	971,637			971,637
Performing arts	76,846			76,846
Exhibitions	359,900			359,900
Horticulture	809,660			809,660
Security, maintenance and utilities	856,804			856,804
Membership activities and community services	1,262,282			1,262,282
Management and general	986,295	198,273		1,184,568
Development	436,462	-	-	436,462
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>5,759,886</b>	<b>-</b>	<b>198,273</b>	<b>5,958,159</b>
Depreciation	224,715	-	-	224,715
<b>TOTAL EXPENSES</b>	<b>5,984,601</b>	<b>-</b>	<b>198,273</b>	<b>6,182,874</b>
(Decrease) Increase in Net Assets before unrealized depreciation in marketable and other securities and change in value of split interest agreement	(1,164,885)	213,670	1,671,196	719,981
Unrealized depreciation in marketable securities	-	-	(2,847,887)	(2,847,887)
Change in value of split interest agreement	-	-	(230,909)	(230,909)
(Decrease) Increase in Net Assets	(1,164,885)	213,670	(1,407,600)	(2,358,815)
Net Assets - Beginning	3,163,760	475,242	23,443,837	27,082,839
Transfers From Endowment	<u>1,075,000</u>	<u>-</u>	<u>(1,075,000)</u>	<u>-</u>
Net Assets - Ending	<u>\$ 3,073,875</u>	<u>\$ 688,912</u>	<u>\$ 20,961,237</u>	<u>\$ 24,724,024</u>

**WAVE HILL INCORPORATED  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30,**

	<u>2009</u>	<u>2008</u>
<b>Cash flows from operating activities</b>		
(Decrease) in net assets	\$ (4,832,916)	\$ (2,358,815)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities:		
Donated securities and art work	(273,895)	(189,291)
Beneficial interest in split interest agreements	(243,724)	-
Depreciation expense	253,197	224,715
Unrealized depreciation on marketable and other securities	3,982,033	2,847,887
Decrease in value of split interest agreement	478,923	230,909
Realized losses (gains) on sales of marketable and other securities	1,213,906	(1,484,597)
Realized loss on disposal of equipment	-	2,300
(Accrual) decrease in pledges and other receivables	(1,767,928)	10,575
Decrease (increase) in inventory	34,165	(22,503)
Decrease in prepaid expenses	157,507	1,430
(Decrease) increase in accounts payable and accrued expenses	<u>(5,128)</u>	<u>134,986</u>
<b>Net cash used in operating activities</b>	<u>(1,003,860)</u>	<u>(602,404)</u>
<b>Cash flows from investing activities</b>		
Purchases of buildings, improvements and equipment	(205,107)	(350,955)
Proceeds from the sales of marketable and other securities	3,737,715	4,763,070
Purchases of marketable and other securities	<u>(2,548,042)</u>	<u>(3,857,916)</u>
<b>Net cash provided by investing activities</b>	<u>984,566</u>	<u>554,199</u>
<b>Cash flows from financing activities</b>		
Forgiveness of debt income	-	(75,000)
<b>Cash (used in) financing activities</b>	<u>-</u>	<u>(75,000)</u>
<b>Net (decrease) in cash</b>	<u>(19,294)</u>	<u>(123,205)</u>
<b>Cash and equivalents - beginning of year</b>	<u>1,814,137</u>	<u>1,937,342</u>
<b>Cash and equivalents - end of year</b>	<u>\$ 1,794,843</u>	<u>\$ 1,814,137</u>

**Non Cash Investing and Financing Activities:**

During the year ended June 30, 2009, the Organization acquired a new maintenance vehicle in exchange for a note of \$23,784.

**WAVE HILL INCORPORATED**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2009**

	PROGRAM SERVICES						SUPPORTING SERVICES			TOTAL EXPENSES	
	Educational Services	Performing Arts	Exhibition	Horticulture	Security, Maintenance and Utilities	Membership Activities and Community Services	Total Program Services	Management and General	Development	Total Supporting Services	2009
Salaries	\$ 560,990	\$ 31,048	\$ 154,498	\$ 468,551	\$ 348,359	\$ 611,223	\$ 2,174,689	\$ 588,188	\$ 305,871	\$ 894,139	\$ 3,068,808
Payroll taxes and fringe benefits	<u>180,559</u>	<u>6,395</u>	<u>41,470</u>	<u>191,986</u>	<u>107,690</u>	<u>201,086</u>	<u>729,776</u>	<u>141,305</u>	<u>100,833</u>	<u>242,228</u>	<u>972,004</u>
Total salaries, payroll taxes and fringe benefits	<b>741,549</b>	<b>38,043</b>	<b>195,968</b>	<b>680,547</b>	<b>456,049</b>	<b>812,289</b>	<b>2,904,445</b>	<b>729,563</b>	<b>406,804</b>	<b>1,138,367</b>	<b>4,040,812</b>
Fees and stipends	34,486	24,823	59,508	7,525	3,951	1,035	131,326	124,010	790	124,800	258,126
Cost of merchandise sold	-	-	-	-	-	192,150	192,150	-	-	-	192,150
Telephone	7,728	-	3,864	3,864	-	11,592	27,048	5,842	5,798	11,638	38,886
Postage and shipping	1,062	2,872	11,705	2,883	-	18,233	36,755	788	4,858	5,646	42,401
Contractual services and supplies	57,016	3,729	13,996	61,833	261,902	43,294	441,670	29,008	25,583	54,591	496,261
Printing and artwork	2,219	13,986	83,011	1,115	-	80,063	160,394	83	11,790	11,873	172,267
Advertising, dues and subscriptions	806	-	85	723	958	51,408	54,078	3,384	180	3,544	57,622
Travel and conferences	3,247	14	1,068	450	64	4,851	9,692	3,283	663	3,948	13,638
Insurance	30,211	-	10,070	10,070	-	30,212	80,833	5,035	5,035	10,970	100,703
Professional fees	-	-	-	-	-	-	-	65,719	-	65,719	65,719
Utilities	-	-	-	-	-	-	-	130,447	-	130,447	130,447
General operating expenses	-	53	802	-	-	26,395	27,250	2,183	-	2,183	29,433
	<b>\$ 878,424</b>	<b>\$ 83,520</b>	<b>\$ 359,973</b>	<b>\$ 749,010</b>	<b>\$ 732,992</b>	<b>\$ 1,271,522</b>	<b>\$ 4,075,441</b>	<b>\$ 1,099,325</b>	<b>\$ 461,499</b>	<b>\$ 1,560,824</b>	<b>\$ 5,636,285</b>

See notes to financial statements

**WARE HILL INCORPORATED**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2008**

	PROGRAM SERVICES						SUPPORTING SERVICES			TOTAL EXPENSES	
	Educational Services	Performing Arts	Exhibition	Heritage	Security, Maintenance and Utilities	Membership Activities and Community Services	Total Program Services	Management and General	Development	Total Supporting Services	2008
Salaries	\$ 631,812	\$ 32,202	\$ 162,927	\$ 507,813	\$ 384,005	\$ 612,455	\$ 2,331,114	\$ 552,658	\$ 162,543	\$ 292,097	\$ 3,175,869
Payroll taxes and fringe benefits	<u>168,424</u>	<u>3,729</u>	<u>38,765</u>	<u>182,963</u>	<u>147,869</u>	<u>161,302</u>	<u>703,152</u>	<u>86,304</u>	<u>248,847</u>	<u>248,847</u>	<u>951,989</u>
Total salaries, payroll taxes and fringe benefits	800,236	35,931	201,592	690,776	531,974	773,757	3,034,266	715,201	378,401	1,093,802	4,127,868
Fees and stipends	42,146	28,075	59,030	5,189	10,048	5,262	148,650	249,739	1,955	251,694	400,344
Cost of merchandise sold	-	-	-	-	-	147,628	147,628	-	-	-	147,628
Telephone	7,446	-	3,723	3,723	-	11,129	26,021	5,800	5,884	11,184	37,205
Postage and shipping	2,397	3,049	15,435	2,380	20	15,935	39,216	1,885	5,885	7,570	46,786
Contractual services and supplies	70,932	1,673	18,805	87,155	303,584	116,588	598,697	40,952	24,414	65,356	684,063
Printing and artwork	-	9,059	47,900	1,408	-	73,257	131,622	-	10,568	10,568	142,190
Advertising, dues and subscriptions	2,308	-	784	1,198	525	63,341	68,154	4,465	1,714	6,178	74,333
Travel and conferences	9,141	34	798	7,748	589	3,037	21,347	4,081	2,691	6,772	28,119
Insurance	36,683	-	10,085	10,084	23,211	90,348	5,250	-	-	10,500	100,948
Professional fees	-	-	-	-	-	-	38,265	-	-	38,265	38,265
Utilities	-	-	-	-	-	-	118,283	-	-	118,283	118,293
General operating expenses	150	1,025	848	-	-	29,157	31,180	1,037	-	1,037	32,217
	<u>\$ 971,637</u>	<u>\$ 76,846</u>	<u>\$ 356,500</u>	<u>\$ 809,860</u>	<u>\$ 856,804</u>	<u>\$ 1,292,282</u>	<u>\$ 4,337,129</u>	<u>\$ 1,184,568</u>	<u>\$ 436,462</u>	<u>\$ 1,621,030</u>	<u>\$ 5,958,159</u>

See notes to financial statements.

WAVE HILL INCORPORATED  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Wave Hill Incorporated ("Wave Hill") is a New York City cultural institution located in Riverdale, N.Y., whose mission is to celebrate the artistry and legacy of its gardens and landscapes, to preserve the magnificent views, and to explore human connections to the natural world through programs in horticulture, education and the arts. The organization is supported primarily through donor contributions, grants and The City of New York through the Department of Cultural Affairs.

Contributions

Contributions and grants are recognized when the donor makes a promise to give that is, in substance, unconditional. Wave Hill reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of the donation. When a donor restriction expires, either through the passage of time or accomplishment of the restricted purpose, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Restricted assets received in the current period for which the terms of the restriction have been met, are recorded as unrestricted net assets in the accompanying Statement of Activities.

Gifts of long lived assets with explicit restrictions that specify how the assets are to be used are reported as restricted support.

Inventory

Inventory consists of books, calendars, apparel and other gift items. Inventory is valued at the lower of cost or market using the retail method.

Net Asset Classifications

Wave Hill reports information regarding its financial position and activities according to two classes of net assets: unrestricted and temporarily restricted.

- Unrestricted net assets are not restricted by donors, or the donor-imposed restrictions have been fulfilled.
- Temporarily restricted net assets are classified into two categories: operating and endowment. Temporarily restricted net assets-operating contains donor imposed restrictions that permit Wave Hill to use or expend the assets as specified by the donor. The restrictions are satisfied either by the passage of time or the accomplishment of purpose. Temporarily restricted net assets-endowment includes funds contributed by donors to the Board designated endowment fund and restricted as to purpose by the donors.

WAVE HILL INCORPORATED  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Improvements and Equipment

Capital improvements and equipment are stated at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets which range from five to twenty years.

Donations of Marketable Securities and Works of Art

Wave Hill records donations of publicly traded securities at the fair market value at the date of the gift. Works of art are recorded at fair market value at the date of gift as determined by independent appraisal.

Income Taxes

Wave Hill is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Cash and Equivalents

Wave Hill considers cash and investments with a maturity of three months or less, at the time of purchase, as cash and equivalents.

Marketable and Other Securities

Marketable and other securities consist of publicly traded securities, limited partnership interests and other non-readily marketable investment vehicles. Investments are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value at the measurement date.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WAVE HILL INCORPORATED  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - BUILDINGS, CAPITAL IMPROVEMENTS, EQUIPMENT AND EXPENDITURES BY THE CITY OF NEW YORK**

The property known as Wave Hill is owned by The City of New York (the "City"). The City, through the Department of Cultural Affairs, supports the operations of Wave Hill through an annual appropriation. In addition, the City made direct payments to providers of heat and power in the amount of \$130,447 (2009) and \$118,293 (2008). The City directly contributed \$66,132 (2009) and \$63,031 (2008) for pension plan payments to the Cultural Institutions Retirement System and \$215,800 (2009) and \$181,200 (2008) for employee health insurance premiums. These amounts are included in Appropriations by the Department of Cultural Affairs of the City of New York and as charges to utilities and fringe benefits, respectively, on the accompanying Statement of Activities. Wave Hill received approximately 19% of its revenues, gains and other support from the City.

The value of the properties, and costs connected with the restoration and rehabilitation of several of the buildings which were paid directly by the City, are not included in the accompanying financial statements inasmuch as the properties are owned by the City and not by Wave Hill.

During the years ended June 30, 2009 and 2008, the City expended \$225,003 and \$267,259, respectively, for capital projects at Wave Hill. Cumulative capital expenditures made by the City were \$11,562,080 and \$11,337,077 through June 30, 2009 and 2008, respectively. The amounts provided by the Comptroller of the City of New York, for capital expenditures for the year ended June 30, 2009, are preliminary and subject to change upon the release of the Comptroller's annual comprehensive financial report.

Additionally, Wave Hill has expended funds for capital improvements in certain buildings and on the grounds. These capital improvements are also owned by the City.

Expenditures made by Wave Hill for capital improvements and equipment consist of the following:

	June 30,	
	2009	2008
Capital improvements	\$3,067,225	\$2,896,233
Equipment	<u>454,295</u>	<u>426,561</u>
	3,521,520	3,322,794
Less: accumulated depreciation	<u>(1,327,863)</u>	<u>(1,104,833)</u>
	<u><u>\$2,193,657</u></u>	<u><u>\$2,217,961</u></u>

WAVE HILL INCORPORATED  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable at June 30, 2009 consists of amounts obtained by Wave Hill for the renovation of the Wave Hill House. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises are received.

At June 30, 2009 pledges receivable consisted of the following unconditional promises to give:

Capital project pledges	\$1,646,667
Less: unamortized discount	<u>(15,599)</u>

Net unconditional promises to give	<u>\$1,631,068</u>
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Amounts due in	
Less than one year	\$ 971,666
One to five years	<u>675,001</u>

	<u>\$1,646,667</u>
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Pledges have been discounted using rates ranging from 1.11% to 1.64%. The capital campaign pledges are restricted for use for costs and expenses for the renovation of the Wave Hill House.

Approximately 42% of total undiscounted pledges, or \$697,000, represents pledges from trustees or other related parties. Of that amount, \$500,000 is pledged by an individual Board Member.

**WAVE HILL INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - FAIR VALUE MEASUREMENTS**

Wave Hill has adopted the provisions of Statement 157 which outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements. Statement 157 describes the fair value hierarchy as follows:

- Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets that can be accessed at the measurement date.
- Level 2 – Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Unobservable inputs that reflect assumptions about what market participants would use in pricing the asset. These inputs would be based on the best information available, including the Organization's own data.

The following table shows the fair value of Wave Hill's financial assets consisting of marketable and other securities:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks, mutual fund and U.S. Government Securities	\$ 7,768,118	\$ -	\$ -	\$ 7,768,118
Investments in limited partnerships and non-readily marketable securities	-	-	4,456,648	4,456,648
Beneficial interests in split interest agreements	-	-	1,365,962	1,365,962
	<u>\$ 7,768,118</u>	<u>\$ -</u>	<u>\$ 5,822,610</u>	<u>\$ 13,590,728</u>

**WAVE HILL INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)**

Assets measured at fair value on a recurring basis using significant unobservable inputs  
 (Level 3)

	Partnership interests	Interest in split interest agreements	Totals
July 1, 2008	\$ 6,064,348	\$ 1,601,161	\$ 7,665,509
Total gains and losses	( 1,507,700)	( 478,923)	( 1,986,623)
Transfers out	( 100,000)	-	( 100,000)
Current year contributions	-	<u>243,724</u>	<u>243,724</u>
	<u>\$ 4,456,648</u>	<u>\$ 1,365,962</u>	<u>\$ 5,822,610</u>

**NOTE 5 - ENDOWMENT FUND**

The Wave Hill Endowment Fund ("the Fund") is comprised of assets designated by the Board of Directors to function similar to an endowment, but without the restrictions on principle of a true endowment, unless specifically required by the donor. However, the Board of Directors of Wave Hill has determined that, prudent care by the Board is necessary to preserve the principle of the Fund.

The assets of the Fund are provided by contributions from donors, some of whom have directed that their contribution be used for specific purposes such as education or horticulture. If no designation is made by the donor, the contributions are used for general operating support. It is the intention that these funds remain permanently invested for the purposes for which they have been designated.

**WAVE HILL INCORPORATED**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - ENDOWMENT FUND (Continued)**

The net assets of the Fund, which are included in the accompanying statement of financial position, are as follows:

	June 30,	
	2009	2008
Cash and cash equivalents	\$ 1,219,021	\$ 823,591
U.S. Government Securities	34,980	372,960
Mutual fund	2,602,299	5,081,609
Common stocks	5,067,763	7,017,568
Beneficial interest in remainder trust	1,122,238	1,601,161
Investments in limited partnerships and other non-readily marketable investment vehicles	<u>4,456,648</u>	<u>6,064,348</u>
	<u>13,283,928</u>	<u>20,137,646</u>
	<u><b>\$14,502,949</b></u>	<u><b>\$20,961,237</b></u>

Without prior Board approval, withdrawals from the Fund for years ended June 30, 2009 were restricted to 5% of the fair value of the Fund at the beginning of the fiscal year. On June 4, 2009, the Board voted that effective for years beginning after June 30, 2009, the organization may draw, in any fiscal year, up to 5% of the average balance of the Fund on the last day of each quarter in the eight-quarter period ending on the preceding June 30th. At any time, the Board may review and vote to change the expenditure policy of the Fund after giving consideration to current economic conditions, needs of the institution to support operations and the overall purpose of the Fund.

During the years ended June 30, 2009 and 2008, Wave Hill withdrew \$965,765 and \$1,075,000, respectively. These funds were used to support the activities of Wave Hill in the approximate proportion such funds were restricted by the donors, as follows:

	June 30,			
	2009	%	2008	%
Horticulture	\$ 260,725	27	\$ 290,000	27
Education	336,000	35	374,000	35
General operating	<u>369,040</u>	<u>38</u>	<u>411,000</u>	<u>38</u>
	<u><b>\$ 965,765</b></u>	<u><b>100%</b></u>	<u><b>\$1,075,000</b></u>	<u><b>100%</b></u>

**WAVE HILL INCORPORATED  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - ENDOWMENT FUND (Continued)**

The Investment Committee of the Board of Directors has adopted an investment policy that seeks to provide a total return on investment of 5% or more annually through a diversified portfolio that attempts to minimize risks inherent in the financial markets. Actual returns in any given year may vary from this amount. A semi-annual review of the composition of the Fund, return on investments and allocation among investment instruments is performed to ensure that the organization's investment and spending policies are achieved and in compliance with the Uniform Prudent Management of Institutional Funds Act (UPPMIFA). In addition, the committee considers:

1. General economic conditions
2. Expected returns of each investment in relation to the entire portfolio
3. The need of the institution to make distributions from the Fund and
4. Other resources of the organization

For the years ended June 30, 2009 and 2008, the organization had the following endowment-related activities:

	<u>Board Designated Endowment Funds</u>	
	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Investment return		
Investment Income	\$ 181,438	\$ 184,699
Net realized and unrealized depreciation	( <u>5,674,862</u> )	( <u>1,594,199</u> )
Total investment return	( <u>5,493,424</u> )	( <u>1,409,500</u> )
Contributions	900	1,900
Amounts appropriated for expenditure	( <u>965,765</u> )	( <u>1,075,000</u> )
Total change in endowment funds	<u>(\$6,458,289)</u>	<u>(\$2,482,600)</u>

**NOTE 6 - SPLIT INTEREST AGREEMENTS**

At June 30, 2009 and 2008, split interest agreements consists of the following:

	<u>June 30,</u>	
	<u>2009</u>	<u>2008</u>
Charitable remainder trust A	\$ 1,122,238	\$ 1,601,161
Charitable remainder trust B	79,490	-
Annuity Trust	<u>164,234</u>	<u>-</u>
Total	<u>\$ 1,365,962</u>	<u>\$ 1,601,161</u>

**WAVE HILL INCORPORATED  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - SPLIT INTEREST AGREEMENTS (Continued)**

**CHARITABLE REMAINDER TRUST A**

Wave Hill has been named the remainder beneficiary of a charitable remainder unitrust, which was created in 1987 upon the death of the trust settlor. The income beneficiaries are to receive, first from income and, to the extent that income is insufficient, from principal, a total annuity each year equal to 6% of the net fair market value of the trust assets as of the first day of the trust year. Upon the death of the last surviving beneficiary, the remaining principal of the trust is to be distributed to Wave Hill. An asset for the charitable remainder trust has been recognized at the present value of the expected fair value of the assets to be received. At June 30, 2009 and 2008, the expected future fair value of Wave Hill's beneficial interest in the trust principal was \$1,122,238 and \$1,601,161, respectively. Changes in the value of the trust have been reported in the Statement of Activities as an increase or decrease in temporarily restricted net assets.

**CHARITABLE REMAINDER TRUST B**

Wave Hill has been named the remainder beneficiary of a charitable remainder unitrust, which was created in 2009 upon the death of the trust settlor. The income beneficiary is to receive, first from income and, to the extent that income is insufficient, from principal, a total annuity each year equal to 5% of the net fair value of the trust assets as of the first day of the trust year. Upon the death of the income beneficiary, the remaining principal of the trust is to be distributed equally to four beneficiaries including Wave Hill. An asset for the charitable remainder trust has been recognized at the present value of the expected fair value of the assets to be received. At June 30, 2009, the expected future fair value of Wave Hill's beneficial interest in the trust principal was \$79,490. This gift is unrestricted and changes in the value of the trust will subsequently be reported in the Statement of Activities as an increase or decrease in unrestricted net assets.

**ANNUITY TRUST**

Wave Hill has been named as an annuitant in a decedent's last will and testament. Wave Hill is expected to receive approximately \$12,000 per annum, paid quarterly, for 20 years. An asset for the charitable gift annuity has been recognized at the present value of the expected cash flows to be received. At June 30, 2009, the present value of Wave Hill's beneficial interest in the annuity was \$164,234. This gift has been recognized in temporarily restricted net assets. The annuity payments will be reported as unrestricted net assets upon receipt as the donor did not place any restrictions on this contribution.

The discount rate used was 4.03%.

**NOTE 7 - NOTES PAYABLE**

Notes payable consists of a non-interest bearing note for the purchase of equipment payable over a 36 month period. Payments of \$661 per month commence July 2009.

WAVE HILL INCORPORATED  
NOTES TO FINANCIAL STATEMENTS

**NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS – OPERATING**

Temporarily restricted net assets-operating, consisting primarily of cash and equivalents, are available for the following purposes or periods as follows:

	June 30,	
	2009	2008
Elliptical garden	\$ 3,950	\$ 3,950
Renovation of T. H. Everett House	27,199	27,199
Works of art restricted to horticulture	18,000	18,000
Abrons Woodland – improvements	68,000	118,000
Renovations to shade border	78,892	78,892
Renovations to Wave Hill House	1,731,549	-
Companion catalog	5,000	-
Family art book design	7,500	-
For periods after June 30,	<u>564,725</u>	<u>442,871</u>
	<u>\$2,504,815</u>	<u>\$688,912</u>

**NOTE 9 - TRUST INCOME**

Wave Hill is the income beneficiary under the terms of the Perkins Gardens Trust. For the years ended June 30, 2009 and 2008, Wave Hill received \$109,438 and \$102,375, respectively. The trust assets were approximately \$2,294,000 as of June 30, 2009.

**NOTE 10 - EMPLOYEE BENEFIT PLANS**

The employees of Wave Hill are members of the Cultural Institutions Retirement System, a multi-employer plan. The plan consists of a savings plan and a defined benefit pension plan. Contributions to the plan for the years ended June 30, 2009 and 2008 were approximately \$162,000 and \$146,000, respectively, exclusive of the amounts in Note 2.

**NOTE 11 - COMMITMENTS**

Wave Hill has obtained a \$3,000,000 line of credit to be used solely for a capital project to renovate Wave Hill House. This credit agreement will be collateralized by certain of Wave Hill's marketable securities included in the Board Designated Endowment Fund. As of June 30, 2009, there were no amounts outstanding under the credit facility.

**WAVE HILL INCORPORATED  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 - CONCENTRATIONS**

As of June 30, 2009, Wave Hill had approximately \$374,000 of cash on deposit in both a major commercial bank and various investment institutions in excess of Federal Deposit Insurance Corporation coverage. Investments in common stock and U.S. government securities are held by major brokerage firms.

**NOTE 13 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 3, 2009, the date on which the financial statements were available to be issued.